

1. **Review and re-adopt Board rules in accordance with Texas Government Code, Section 2001.039, and simultaneously propose the repeal of Sections 22.21 through 22.28 of Board rules and propose new Sections 22.21 through 22.30, concerning the Provisions for the Tuition Equalization Grant Program**

Chapter 22

Subchapter B. PROVISIONS FOR THE
TUITION EQUALIZATION GRANT PROGRAM

Section

- 22.21. Authority and Purpose.
- 22.22. Definitions.
- 22.23. Institutions.
- 22.24. Eligible Students.
- 22.25. Award Amounts and Uses.
- 22.26. Adjustments to Awards made through Central Processing.
- 22.27. Adjustments to Awards made through Campus-Based Processing.
- 22.28. Retroactive Disbursements.
- 22.29. Allocation and Reallocation of Funds.
- 22.30. Dissemination of Information and Rules.

- 22.21. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Chapter 61, Subchapter F, the Tuition Equalization Grant Program. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, Sections 61.221 through 61.230.

(b) Purpose. The purpose of the Tuition Equalization Grant Program is to promote the best use of existing educational resources and facilities within this state, both public and private, by providing need-based tuition equalization grants to Texas residents and eligible nonresidents enrolled in any approved private Texas college or university.

- 22.22. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Board – The Texas Higher Education Coordinating Board.
- (2) Central processing – An approach to administering a grant program by having institutions submit application information to the Board, which then issues funds to students in keeping with a schedule specified by the institution in the application data.
- (3) Commissioner – The Commissioner of Higher Education, the Chief Executive Officer of the Board.
- (4) Cost of attendance – A Board-approved estimate of the expenses incurred by a typical financial aid student in attending a particular college or university. It

includes direct educational costs (tuition, fees, books, and supplies) as well as indirect costs (room and board, transportation, and personal expenses).

(5) Encumbered funds – Program funds that have been offered to a specific student, which offer the student has accepted, and which may or may not have been disbursed to the student.

(6) Expected family contribution – The amount of discretionary income that should be available to a student from his or her resources and that of his or her family, as determined following the federal methodology.

(7) Full-time student – For undergraduates, a person who is enrolled or is expected to be enrolled for the equivalent of twelve or more semester credit hours. For graduate students, a person who is enrolled or expected to be enrolled for the equivalent of nine or more semester credit hours.

(8) Financial need – The cost of attendance at a particular public or private institution of higher education less the expected family contribution. The cost of attendance and family contribution are to be determined in accordance with Board guidelines.

(9) Half-time student – For undergraduates, a person who is enrolled or is expected to be enrolled for the equivalent of six or more semester credit hours. For graduate students, a person who is enrolled or expected to be enrolled for the equivalent of 4.5 or more semester credit hours.

(10) Issue date – The date on which the Board's centralized processing system generates a voucher requesting a grant disbursement for specific students.

(11) Period of enrollment – The term or terms within the current state fiscal year (September 1-August 31) for which the student was enrolled in an approved institution and met all the eligibility requirements for an award through this program.

(12) Program Officer – The individual named by each participating institution's chief executive officer to serve as agent for the Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including maintenance of all records and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the administration, the director of student financial aid shall serve as Program Officer.

(13) Resident of Texas – A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B, of this title (relating to Determining Residence Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

(14) Tuition Equalization Grant Need (TEG need) – The total amount of Tuition Equalization Grant funds that full-time students at an approved institution would be eligible to receive if the program were fully funded.

22.23 Institutions.

(a) Eligibility.

(1) Any college or university defined as a private or independent institution of higher education by Texas Education Code, Section 61.003, or that is located in Texas and meets the same program standards and accreditation as public institutions of higher education as determined by the Board, except theological or religious seminaries, are eligible to participate in the Tuition Equalization Grant Program.

(2) No institution may, on the grounds of race, color, national origin, gender, religion, age, or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.

(3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions.

(b) Approval.

(1) Agreement. Each approved institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner.

(2) Approval Deadline. An institution must be approved by April 1 in order for qualified students enrolled in that institution to be eligible to receive grants in the following fiscal year.

(c) Responsibilities.

(1) Probation Notice. If the institution is placed on public probation by its accrediting agency, it must immediately advise grant recipients of this condition and maintain evidence in each student's file to demonstrate that the student was so informed.

(2) Disbursements to Students.

(A) Documentation. The institution must maintain records to prove the receipt of program funds by the student or the crediting of such funds to the student's school account.

(B) Procedures in Case of Illegal Disbursements. If the Commissioner has reason for concern that an institution has disbursed funds for unauthorized purposes, the Board will notify the institution and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration). Thereafter, if the Board determines that funds have been improperly disbursed, the institution shall become primarily responsible for restoring the funds to the Board. No further disbursements of grants or scholarships shall be permitted to students at that institution until the funds have been repaid.

(3) Reporting.

(A) Requirements/Deadlines. All institutions must meet Board reporting requirements in a timely fashion.

(i) Such reporting requirements shall include reports specific to allocation and reallocation of grant funds (including the Financial Aid Database Report) as well as progress and year-end reports of program activities.

(ii) Each participating institution shall have its Tuition Equalization Grant Program operations audited on a regular basis by an independent auditor or by an internal audit office that is independent of the financial aid and disbursing offices. Reports on findings and corrective action plans (if necessary) are due to the Board by April 15 each year for institutions on annual audit schedules, and every other April 15 for institutions on biannual audit cycles. Biannual reports must cover operations for the prior two years.

(B) Penalties for Late Reports.

(i) An institution that postmarks or electronically submits a progress report a week or more after its due date will be ineligible to receive additional funding through the reallocation occurring at that time.

(ii) The Commissioner may penalize an institution by reducing its allocation of funds in the following year by up to 10 percent for each progress report that is postmarked or submitted electronically more than a week late.

(iii) The Commissioner may assess more severe penalties against an institution if any report is received by the Board more than one month after its due date. The maximum penalty for a single year is 30 percent of the school's allocation. If penalties are invoked in two consecutive years the institution may be penalized an additional 20 percent.

(C) Appeal of Penalty. If the Commissioner determines that a penalty is appropriate, the institution will be notified by certified mail, addressed to the Program Officer and copied to the Financial Aid Director. Within 21 days from the time that the Program Officer receives the written notice, the institution must submit a written response appealing the Board's decision, or the penalty shall become final and no longer subject to an appeal. An appeal under this section will be conducted in accordance with the rules provided in Chapter 1 of this title (relating to Agency Administration).

(4) Program Reviews. If selected for such by the Board, participating institutions must submit to program reviews of activities related to the Tuition Equalization Grant Program.

22.24. Eligible Students.

To receive an award through the program described in the Tuition Equalization Grant Program, a student must:

- (1) be enrolled at least half-time in an approved institution;
- (2) show financial need;
- (3) maintain satisfactory academic progress, as defined by the institution, in his or her program of study;
- (4) be a Texas resident, unless such student is a national merit scholarship finalist;
- (5) be enrolled in an approved institution, in an individual degree plan;
- (6) be required to pay more tuition than is required at a comparable public college or university; and
- (7) not be a recipient of any form of athletic scholarship during the semester or semesters he or she is receiving a Tuition Equalization Grant.

22.25. Award Amounts and Uses.

(a) Funding. Funds awarded through this program may not exceed the amount appropriated by the Legislature for that purpose.

(b) Award Amount.

- (1) No award shall exceed the least of:
 - (A) the student's financial need; or
 - (B) the difference between the amount of tuition paid at the participating institution and the amount the student would have paid for tuition had he or she been enrolled at a comparable public institution; or
 - (C) the program maximum.
- (2) A grant to a part-time student shall be made on a pro rata basis of a full-time award.

(c) Program maximum. The Tuition Equalization Grant Program award maximum is determined by the Board in accordance with Texas Education Code, Section 61.227 (regarding Payment of Grant Amount).

(d) Uses. No grant disbursed to a student may be used for any purpose other than for meeting the cost of attending an approved institution.

(e) Disbursement Limit. The amount of any disbursement may not exceed the difference between the tuition paid at the private or independent institution attended and the tuition the student would have paid to attend a comparable public institution.

(f) Over Awards. If, at a time after an award has been offered by the institution and accepted by the student, the student receives assistance that was not taken into account in the student's estimate of financial need, so that the resulting sum of assistance exceeds the student's financial need, the institution is not required to adjust the award under this program unless the sum of the excess resources is greater than \$300.

22.26. Adjustments to Awards Made through Central Processing.

If a student officially withdraws from enrollment, or for some other reason, the amount of a student's disbursement exceeds the amount the student is eligible to receive except as provided by Section 22.25(f) of this title (relating to Award Amounts and Uses), the institution shall follow its general institutional refund policy in determining the amount to be returned to the program.

(1) Funds returned to the Board in the form of institution-issued checks shall be accompanied with sufficient documentation to enable the Board to identify the appropriate program and student(s) for whom the funds were originally issued.

(2) If the disbursement to be returned is in the form of a state warrant issued to an individual student, the warrant should be marked "void" and returned to the Board.

(3) Funds should be returned promptly, but in no case shall funds be returned more than 60 days from the issue date.

22.27. Adjustments to Awards Made through Campus-Based Processing.

If a student officially withdraws from enrollment, or for some other reason, the amount of a student's disbursement exceeds the amount the student is eligible to receive, the institution shall follow its general institutional refund policy in determining the amount to be returned to the program.

(1) Funds administered through campus-based operations do not have to be returned directly to the Board, but should be re-awarded to other eligible students. If funds cannot be re-awarded in a timely manner, they should be returned to the Board in the form of an institution-issued check. Such payment shall be accompanied with sufficient documentation to enable the Board to identify the appropriate program for which the funds were originally issued.

(2) Funds should be returned promptly, but in no case shall they be returned more than 60 days from the issue date.

22.28. Retroactive Disbursements.

(a) A student may receive a disbursement after the end of his/her period of enrollment if the student:

(1) owes funds to the institution for the period of enrollment for which the award is being made; or

(2) received a student loan that is still outstanding for the period of enrollment.

(b) Funds that are disbursed retroactively must either be used to pay the student's outstanding balance from his/her period of enrollment at the institution or to make a payment against an outstanding loan received during that period of enrollment. Under no circumstances are funds to be released to the student.

22.29. Allocation and Reallocation of Funds.

(a) Allocations. Available program funds will be allocated to each participating institution in proportion to each institution's Tuition Equalization Grant need.

(b) Reallocations. Institutions will have until a date specified by the Board via a policy memo addressed to the Program Officer at the institution to encumber the program funds that have been allocated to them. On that date, institutions lose claim to any unencumbered funds, and the unencumbered funds are available to the Board for reallocation to other institutions. If necessary for ensuring the full use of funds, subsequent reallocations may be scheduled until all funds are awarded and disbursed.

22.30. Dissemination of Information and Rules.

The Board is responsible for publishing and disseminating general information and program rules for the program described in this subchapter.

2. Review and re-adopt Board rules in accordance with Texas Government Code, Section 2001.039, and simultaneously propose the repeal of Sections 22.61 through 22.66 of Board rules regarding Provisions for the Texas Public Grant Programs and propose new Sections 22.61 through 22.63, concerning the Provisions for the Texas Public Educational Grant Program.

Chapter 22

Subchapter D. PROVISIONS FOR THE TEXAS PUBLIC EDUCATIONAL GRANT PROGRAM

Section

- 22.61. Authority and Purpose.
- 22.62. Participating Institutions.
- 22.63. Coordinating Board Responsibilities.

22.61. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Chapter 56, Subchapter C. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, Sections 56.034, and 56.036 through 56.039.

(b) The purpose of the Texas Public Education Grant Programs is to provide need-based grants of money to students attending public institutions of higher education in Texas.

22.62. Participating Institutions.

All institutions of higher education as defined in Texas Education Code, Section 61.003 (8), are required to set tuition revenues aside for making grants through the Texas Public Educational Grant Program.

22.63. Coordinating Board Responsibilities.

The Texas Higher Education Coordinating Board shall perform the following services with regard to the Texas Public Educational Grant Program:

(1) Review guidelines submitted by institutions for the administration of the Texas Public Educational Grant program on their campuses to ensure the program is being conducted in a manner that will fulfill the purpose of the program. If guidelines are rejected, the Board is to provide the institution a written explanation and an opportunity to submit revised guidelines.

(2) Accept funds transferred to the Board by institutions for use in matching federal or state grant funds, assure such matching funds are used to assist institutions and students with the greatest financial need, and return any funds on deposit from institutions if matching funds are not available.

(3) Monitor institutional use of program funds and accept funds transferred to the Board by institutions which fail to fully utilize the grant funds set aside in accordance with Texas Public Educational Grant Program requirements. If an institution's year-end TPEG balance, including funds on deposit with the Board, exceeds 150 percent of the amount set aside from tuition, the excess funds shall be sent to the Board which shall use the funds for the Toward EXcellence, Access and Success Grant Program.

3. Review and re-adopt Board rules in accordance with Texas Government Code, Section 2001.039, and simultaneously propose the repeal of Sections 22.101 through 22.107 of Board rules and propose new Sections 22.101 through 22.113, concerning the Provisions for the Scholarship Programs for Vocational Nursing Students

Chapter 22

Subchapter F. PROVISIONS FOR THE SCHOLARSHIP PROGRAMS FOR
VOCATIONAL NURSING STUDENTS

Section

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| 22.101. | Authority and Purpose. |
| 22.102. | Definitions. |
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| 22.104. | Program Titles and Distinctions. |

- 22.105. Eligible Students.
- 22.106. Award Amounts and Uses.
- 22.107. Disbursements to Institutions.
- 22.108. Adjustments to Awards Made through Central Processing.
- 22.109. Retroactive Disbursements.
- 22.110. Allocations.
- 22.111. Selection of Recipients.
- 22.112. Advisory Committee.
- 22.113. Dissemination of Information and Rules.

22.101. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Chapter 61, Subchapter L, Financial Aid for Professional Nursing Students and Vocational Nursing Students. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, Sections 61.651, 65.652, and 61.655 through 61.658.

(b) Purpose. The purpose of the Vocational Nursing Student Scholarship Programs is to promote the health care and health educational needs of the citizens of Texas.

22.102. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Board – The Texas Higher Education Coordinating Board.
- (2) Commissioner – The Commissioner of Higher Education, the Chief Executive Officer of the Board.
- (3) Cost of attendance – A Board-approved estimate of the expenses incurred by a typical financial aid student in attending a particular college or university. It includes direct educational costs (tuition, fees, books, and supplies) as well as indirect costs (room and board, transportation, and personal expenses).
- (4) Expected family contribution – The amount of discretionary income that should be available to a student from his or her resources and that of his or her family, as determined following the federal methodology.
- (5) Financial need – The cost of attendance at a particular public or private institution of higher education less the expected family contribution. The cost of attendance and family contribution are to be determined in accordance with Board guidelines.
- (6) Half-time student – For undergraduates, enrollment for the equivalent of six or more semester credit hours. For graduate students, enrollment for the equivalent of 4.5 or more semester credit hours.

(7) Program Officer – The individual named by each participating institution's chief executive officer to serve as agent for the Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including maintenance of all records and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the administration, the director of student financial aid shall serve as Program Officer.

(8) Resident of Texas – A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B of this title (relating to Determining Residence Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

(9) Rural – Located in a non-metropolitan area as defined by the United States Census Bureau in its most recent census.

(10) Vocational Nursing Student – A student enrolled in a nonprofit school or program that is preparing the student for licensure as a licensed vocational nurse.

22.103. Institutions.

(a) Eligibility.

(1) Any college or university that is defined as a public or private or independent institution of higher education by Texas Education Code, Section 61.003, and that is preparing students for licensure as a licensed vocational nurse is eligible to participate in the Vocational Nursing Scholarship Programs.

(2) No participating school or program may, on the grounds of race, color, national origin, gender, religion, age, or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.

(3) Each participating school or program must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions.

(b) Approval.

(1) Agreement. Each approved school or program must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner.

(2) Approval Deadline. A school or program must be approved by April 1 in order for qualified students enrolled in that institution to be eligible to receive grants in the following fiscal year.

(c) Responsibilities.

(1) Probation Notice. If the institution is placed on public probation by its accrediting agency, it must immediately advise scholarship recipients of this condition and maintain evidence in each student's file to demonstrate that the student was so informed.

(2) Disbursements to Students.

(A) Documentation. The school or program must maintain records to prove the receipt of program funds by the student or the crediting of such funds to the student's school account.

(B) Procedures in Case of Illegal Disbursements. If the Commissioner has reason for concern that a school or program has disbursed funds for unauthorized purposes, the Board will notify the school or program and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration). Thereafter, if the Board determines that funds have been improperly disbursed, the school or program shall become primarily responsible for restoring the funds to the Board. No further disbursements of scholarship funds shall be permitted to students at that school or program until the funds have been repaid.

(3) Reporting Requirements/Deadlines. Participating schools or programs must submit vocational nursing enrollment data and (if a public or private institution of higher education) the Financial Aid Database Report in a timely fashion.

(4) Program Reviews. If selected for such by the Board, participating institutions must submit to program reviews of activities related to the Scholarship Programs for Vocational Nursing Students.

22.104. Program Titles and Distinctions.

Two scholarship programs for nursing students are to be administered in accordance with this subchapter. Their titles are the Scholarship Program for Rural Vocational Nursing Students and the General Scholarship Program for Vocational Nursing Students. Both programs will be administered in keeping with this subchapter.

(1) Scholarship Program for Rural Vocational Nursing Students. Students eligible for these funds must have graduated from high schools located in rural areas or lived in rural areas of Texas for the 12 months prior to enrollment in a vocational nursing program. Furthermore, Rural Vocational Nursing Scholarship recipients must be attending a nursing program offered in a rural area of the state. Otherwise eligible students attending extension campuses in rural locations are eligible to participate.

(2) General Scholarship Program for Vocational Nursing Students. Funds awarded through this program may go to any eligible student.

22.105. Eligible Students.

(a) To receive funds through one of the Vocational Nursing Student Scholarship Programs, a student must:

(1) be a resident of Texas;

(2) be enrolled in a vocational nursing program on at least a half-time basis at an approved institution;

(3) show financial need, which acts as one of the upper limits of a student's award through the program; and

(4) maintain satisfactory academic progress in his or her program of study as defined by the institution.

(b) In determining what best promotes the health care and educational needs of this State, the Board shall consider the following factors relating to each applicant. The importance to be given each factor will be determined by the Board in consultation with the advisory committee described in Section 22.112 of this title (relating to Advisory Committee).

(1) scholastic ability and performance as measured for entering freshmen by high school grade point average, rank and scores on standardized college entrance examination, and for continuing or transfer college students by college grade point average;

(2) financial need;

(3) whether the person is receiving Temporary Assistance for Needy Families or participates in another public welfare program;

(4) employment by a state agency; and

(5) whether the person, at the time of application to participate in the scholarship program is likely to practice in an area with an acute nursing shortage.

22.106. Award Amounts and Uses.

(a) Funding. Funds awarded through this program may not exceed the amount appropriated by the Legislature for the program plus any gifts, grants and donations of real or personal property from any entity, subject to limitations or conditions set by law, for the purposes of this subchapter.

(b) Award Amounts and Disbursements. The maximum award for a student through any of the programs is the lesser of the student's financial need or \$1,500.

(c) Uses. No scholarship disbursed to a student may be used for any purpose other than for meeting the cost of attending an approved institution.

(d) Over Awards. At the time an award is made to a student, it may not exceed the student's need. No future adjustment is required, however, if subsequent awards during the student's period of enrollment cause an over award of \$300 or less.

22.107. Allocations.

Approved institutions shall be invited to submit scholarship applications for eligible students to the Board by July 15. The number of applications which may be submitted by each school will be determined by the Board in keeping with the size of each school's vocational nursing student enrollment.

22.108. Disbursements to Institutions.

Program officers will submit applications for eligible students to the Board, which will (through the State Comptroller's Office) issue state warrants for the students in accordance with disbursement schedules on the applications.

22.109. Adjustments to Awards Made through Central Processing.

(a) If a student officially withdraws from enrollment, or for some other reason, the amount of a student's disbursement exceeds the amount the student is eligible to receive except in accordance with Section 22.106(d) of this title (relating to Award Amounts and Uses), the institution shall follow its general institutional refund policy in determining the amount to be returned to the program.

(1) Funds returned to the Board in the form of institution-issued checks shall be accompanied with sufficient documentation to enable the Board to identify the appropriate program and student(s) for whom the funds were originally issued.

(2) If the disbursement to be returned is in the form of a state warrant issued to an individual student, the warrant should be marked "void" and returned to the Board.

(3) Funds shall be returned promptly, but in no case shall funds be returned more than 60 days from the issue date.

22.110. Retroactive Disbursements.

(a) A student may receive a disbursement after the end of his/her period of enrollment if the student:

(1) owes funds to the institution for the period of enrollment for which the award is being made; or

(2) received a student loan that is still outstanding for the period of enrollment for which the award is being made.

(b) Funds that are disbursed retroactively must either be used to pay the student's outstanding balance from his/her period of enrollment at the institution or to make a payment against an outstanding loan received during that period of enrollment. Under no circumstances are funds to be released to the student.

22.111. Selection of Recipients.

The institution's Program Officer must specify a priority number for each application submitted. After applying the selection factors determined in accordance with Section 22.105(b) of this title (relating to Eligible Students), the Board will follow school priorities to the extent possible in selecting award recipients. However, no single institution will receive more than one award through a program until all institutions submitting valid applications have received at least one award through the program.

22.112. Advisory Committee.

(a) The Board shall appoint an advisory committee to advise the Board concerning assistance provided under this subchapter to vocational nursing students.

(1) The advisory committee shall consist of:

(A) a chair named by the Board,

(B) one representative named by the License Vocational Nurses Association of Texas;

(C) one representative named by the Texas Organization of Nurse Executives,

(D) one representative named by the Board of Vocational Nurse Examiners of the State of Texas,

(E) two representative of vocational nursing educational programs named by the Texas Association of Vocational Nurse Educators,

(F) one representative named by the Texas Health Care Association, and

(G) one representative named by the Texas Association of Homes for the Aging.

(2) The costs of participation on an advisory committee of a member representing a particular organization or agency shall be borne by that member or the organization or agency the member represents.

(b) The duties of the advisory committee shall be to:

(1) advise the Board on appropriate rules for the Vocational Nursing Student Scholarship Programs;

(2) advise the Board on the priorities of emphasis among the scholarship, the matching fund employment program found in Chapter 21, Subchapter U of this title (relating to the Matching Fund Employment Program for Vocational Nursing Students) and loan repayment program found in Chapter 21, Subchapter Q of this title (relating to the Licensed Vocational Nurses' Student Loan Repayment Program), provided for in Texas Education Code, Chapter 61, Subchapter L;

(3) advise the Board on the amount of money needed to fund adequately the Vocational Nursing Student Scholarship Programs;

(4) advise the Board on the establishment of priorities among the criteria for consideration of application approval which are listed in Texas Education Code, Chapter 61, Subchapter L, and in these rules; and

- (5) assist the Board in the dissemination of information on the Vocational Nursing Student Scholarship Programs.

22.113. Dissemination of Information and Rules.

The Board and its advisory committees are responsible for publishing and disseminating general information and program rules for the programs described in this chapter.

4. Review and re-adopt Board rules in accordance with Texas Government Code, Section 2001.039, and simultaneously propose the repeal of Sections 22.121 through 22.128 of Board rules and propose new Sections 22.121 through 22.133, concerning the Provisions for the Scholarship Programs for Professional Nursing Students

Chapter 22

Subchapter G. PROVISIONS FOR THE SCHOLARSHIP PROGRAMS FOR
PROFESSIONAL NURSING STUDENTS

Section

- 22.121. Authority and Purpose.
- 22.122. Definitions.
- 22.123. Institutions.
- 22.124. Program Titles and Distinctions.
- 22.125. Eligible Students.
- 22.126. Award Amounts and Uses.
- 22.127. Allocations.
- 22.128. Disbursements to Institutions.
- 22.129. Adjustments to Awards Made through Central Processing.
- 22.130. Retroactive Disbursements.
- 22.131. Selection of Recipients.
- 22.132. Advisory Committee.
- 22.133. Dissemination of Information and Rules.

22.121. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Chapter 61, Subchapter L, Financial Aid for Professional Nursing Students and Vocational Nursing Students. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, Sections 61.651, 61.652, and 61.655 through 61.658.

(b) Purpose. The purpose of the Professional Nursing Student Scholarship Programs is to promote the health care and health educational needs of the citizens of Texas.

22.122. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Board – The Texas Higher Education Coordinating Board.

(2) Commissioner – The Commissioner of Higher Education, the Chief Executive Officer of the Board.

(3) Cost of attendance – A Board-approved estimate of the expenses incurred by a typical financial aid student in attending a particular college or university. It includes direct educational costs (tuition, fees, books, and supplies) as well as indirect costs (room and board, transportation, and personal expenses).

(4) Expected family contribution – The amount of discretionary income that should be available to a student from his or her resources and that of his or her family, as determined following the federal methodology.

(5) Financial need – The cost of attendance at a particular public or private institution of higher education less the expected family contribution. The cost of attendance and family contribution are to be determined in accordance with Board guidelines.

(6) Half-time student – For undergraduates, enrollment for the equivalent of six or more semester credit hours. For graduate students, enrollment for the equivalent of 4.5 or more semester credit hours.

(7) Professional nursing student – A student enrolled in an eligible public, private or independent institution of higher education in a course of study leading to an initial or an advanced degree in professional nursing.

(8) Program Officer – The individual named by each participating institution's chief executive officer to serve as agent for the Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including maintenance of all records and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the administration, the director of student financial aid shall serve as Program Officer.

(9) Resident of Texas – A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B of this title (relating to Determining Residence Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

(10) Rural – Located in a non-metropolitan area as defined by the United States Census Bureau in its most recent census.

22.123. Institutions.

(a) Eligibility.

(1) Any college or university defined as a public or private or independent institution of higher education by Texas Education Code, Section 61.003, or that is located in Texas and meets the same program standards and accreditation as public institutions of higher education as determined by the Board is eligible to participate in the Professional Nursing Scholarship Programs.

(2) No institution may, on the grounds of race, color, national origin, gender, religion, age, or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.

(3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions.

(b) Approval.

(1) Agreement. Each approved institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner.

(2) Approval Deadline. An institution must be approved by April 1 in order for qualified students enrolled in that institution to be eligible to receive grants in the following fiscal year.

(c) Responsibilities.

(1) Probation Notice. If the institution is placed on public probation by its accrediting agency, it must immediately advise scholarship recipients of this condition and maintain evidence in each student's file to demonstrate that the student was so informed.

(2) Disbursements to Students.

(A) Documentation. The institution must maintain records to prove the receipt of program funds by the student or the crediting of such funds to the student's school account.

(B) Procedures in Case of Illegal Disbursements. If the Commissioner has reason for concern that an institution has disbursed funds for unauthorized purposes, the Board will notify the institution and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration). Thereafter, if the Board determines that funds have been improperly disbursed, the institution shall become primarily responsible for restoring the funds to the Board. No further disbursements of scholarship funds shall be permitted to students at that institution until the funds have been repaid.

(3) Reporting Requirements/Deadlines. Participating institutions must submit professional nursing student enrollment data and the Financial Aid Database Report to the Board in a timely fashion.

(4) Program Reviews. If selected for such by the Board, participating institutions must submit to program reviews of activities related to the Scholarship Programs for Professional Nursing Students.

22.124. Program Titles and Distinctions.

Four scholarship programs for nursing students are to be administered in accordance with this subchapter. Their titles are the Scholarship Program for Rural Professional Nursing Students, the Scholarship Program for Licensed Vocational Nurses Becoming Professional Nurses, the Scholarship Program for Rural BSN and Graduate Nursing Students, and the General Scholarship Program for Professional Nursing Students. All four programs will be administered in keeping with this subchapter.

(1) Scholarship Program for Rural Professional Nursing Students. Students eligible for these funds must have graduated from high schools located in rural areas, or lived in such a rural area of Texas for the 12 months prior to enrollment in a professional nursing program. Furthermore, Rural Professional Nursing Scholarship recipients must be attending a nursing program offered in a rural area of the state. Otherwise eligible students enrolled in extended campuses in rural locations are eligible to participate.

(2) Scholarship Program for Licensed Vocational Nurses Becoming Professional Nurses. Students eligible for these funds must be Licensed Vocational Nurses who are enrolled in a program leading to licensure as a Professional Nurse.

(3) Scholarship Program for Rural BSN and Graduate Nursing Students. Students eligible for these funds must have graduated from high schools located in rural areas or must have lived in a rural area of Texas for the 12 months prior to enrollment in a professional nursing program. Rural BSN and graduate nursing students may be attending a nursing program offered at any eligible institution in the State.

(4) General Scholarship Program for Professional Nursing Students. Funds awarded through this program may go to any eligible student.

22.125. Eligible Students.

(a) To receive funds through one of the Professional Nursing Student Scholarship Programs, a student must:

- (1) be a resident of Texas;
- (2) be enrolled on at least a half-time basis at an approved institution;
- (3) show financial need, which acts as one of the upper limits of a student's award through the program;
- (4) maintain satisfactory academic progress in his or her program of study as defined by the institution; and
- (5) be enrolled in a professional nursing program and, (if applying for an award through the Scholarship Program for Licensed Vocational Nurses studying to become Professional Nurses), be a Licensed Vocational Nurse.

(b) In determining what best promotes the health care and educational needs of this State, the Board shall consider the following factors relating to each applicant. The importance

given each factor will be determined by the Board in consultation with the advisory committee described in Section 22.132 of this title (relating to Advisory Committee).

- (1) scholastic ability and performance as measured for entering freshmen by high school grade point average, rank and scores on standardized college entrance examination, and for continuing or transfer college students by its college grade point average;
- (2) geographical area of intended nursing practice;
- (3) financial need;
- (4) whether the person is receiving Temporary Assistance for Needy Families or participates in another public welfare program;
- (5) employment by a state agency;
- (6) employment on a nursing school faculty of an eligible institution; and
- (7) whether the person at the time of application to participate in the scholarship program is a practicing nurse in an area with an acute nursing shortage or is likely to practice in such an area.

22.126. Award Amounts and Uses.

(a) Funding. Funds awarded through this program may not exceed the amount appropriated by the Legislature for that program plus any gifts, grants and donations of real or personal property from any entity, subject to limitations or conditions set by law, for the purposes of this subchapter.

(b) Award Amounts and Disbursements. The maximum award for a student through any of the programs is the lesser of the student's financial need or the program maximum as stated below:

- (1) for the Scholarship Program for Rural Professional Nursing Students – \$1,500 per year for those enrolled in an associate degree program; \$2,500 for each student enrolled in a baccalaureate or graduate degree program;
- (2) for the Scholarship Program for Licensed Vocational Nurses Becoming Professional Nurses – \$1,500 for students enrolled in an associate degree program; \$2,500 for those enrolled in a baccalaureate or graduate degree program;
- (3) for the Scholarship Program for Rural BSN and Graduate Nursing Students – \$2,500 per year; and
- (4) for the General Scholarship for Professional Nursing Students – \$2,000 per year.

(c) Uses. No scholarship disbursed to a student may be used for any purpose other than for meeting the cost of attending an approved institution.

(d) Over Awards. At the time an award is made to a student, it may not exceed the student's need. No future adjustment is required, however, if subsequent awards during the student's period of enrollment cause an over award of \$300 or less.

22.127. Allocations.

Approved institutions shall be invited to submit scholarship applications for eligible students to the Board by July 15. The number of applications which may be submitted by each school will be determined by the Board in keeping with the size of each school's professional nursing student enrollment. The Board shall notify each school how many applications may be submitted by April 30 of each year.

22.128. Disbursements to Institutions.

Program officers will submit applications for eligible students to the Board, which will (through the State Comptroller's Office) issue state warrants for the students in accordance with disbursement schedules on the applications.

22.129. Adjustments to Awards Made through Central Processing

If a student officially withdraws from enrollment, or for some other reason, the amount of a student's disbursement exceeds the amount the student is eligible to receive except in accordance with Section 22.126(d) of this title (relating to Award Amounts and Uses), the institution shall follow its general institutional refund policy in determining the amount to be returned to the program.

(1) Funds returned to the Board in the form of institution-issued checks shall be accompanied with sufficient documentation to enable the Board to identify the appropriate program and student(s) for whom the funds were originally issued.

(2) If the disbursement to be returned is in the form of a state warrant issued to an individual student, the warrant should be marked "void" and returned to the Board.

(3) Funds shall be returned promptly, but in no case shall funds be returned more than 60 days from the issue date.

22.130. Retroactive Disbursements.

(a) A student may receive a disbursement after the end of his/her period of enrollment if the student:

(1) owes funds to the institution for the period of enrollment for which the award is being made; or

(2) received a student loan that is still outstanding for the period of enrollment for which the award is being made.

(b) Funds that are disbursed retroactively must either be used to pay the student's outstanding balance from his/her period of enrollment at the institution or to make a payment

against an outstanding loan received during that period of enrollment. Under no circumstances are funds to be released to the student.

22.131. Selection of Recipients.

The institution's Program Officer must specify a priority number for each application submitted. After applying the selection factors listed in Section 22.125(b) of this title (relating to Eligible Students), the Board will follow school priorities to the extent possible in selecting award recipients. However, no single institution will receive more than one award through a program until all institutions submitting valid applications have received at least one award through the program.

22.132. Advisory Committee.

(a) The Board shall appoint an advisory committee to advise the Board concerning assistance provided under this subchapter to professional nursing students.

(1) The advisory committee shall consist of:

(A) a chair named by the Board,

(B) one representative named by the Texas Nurses Association,

(C) one representative named by the Texas Organization of Nurse Executives,

(D) one representative named by the Board of Nurse Examiners,

(E) a head of each of the three types of professional nursing educational programs, named by the deans and directors of nursing programs in this state,

(F) a representative of graduate nursing education named by the deans and directors of nursing programs in this state,

(G) one representative named by the Texas Health Care Association, and

(H) one representative named by the Texas Association of Homes for the Aging.

(2) The costs of participation on an advisory committee of a member representing a particular organization or agency shall be borne by that member or the organization or agency the member represents.

(b) The duties of the advisory committee shall be to:

(1) advise the Board on appropriate rules for the Professional Nursing Student Scholarship Programs;

(2) advise the Board on the priorities of emphasis among the scholarship, the matching fund employment program found in Chapter 21, Subchapter T of this title (relating to the Matching Fund Employment Program for Professional Nursing Students) and loan repayment program found in Chapter 21, Subchapter P of this title (relating to the Professional Nurses' Student Loan Repayment Program), provided for in Texas Education Code, Chapter 61, Subchapter L;

(3) advise the Board on the amount of money needed to fund adequately the Professional Nursing Student Scholarship Programs;

(4) advise the Board on the establishment of priorities among the criteria for consideration of application approval which are named in Texas Education Code, Chapter 61, Subchapter L, and in these rules; and

(5) assist the Board in the dissemination of information on the Professional Nursing Student Scholarship Programs.

22.133. Dissemination of Information and Rules.

The Board and its advisory committees are responsible for publishing and disseminating general information and program rules for the programs described in this chapter.

5. Review and re-adopt Board rules in accordance with Texas Government Code, Section 2001.039, and simultaneously propose the repeal of Sections 22.141 through 22.148 of Board rules and propose new Sections 22.141 through 22.148, concerning the Provisions for the License Plate Insignia Scholarship Program

Chapter 22

Subchapter H. Provisions for the License Plate Insignia Scholarship Program.

Section

- 22.141. Authority and Purpose.
- 22.142. Definitions.
- 22.143. Institutions.
- 22.144. Eligible Students.
- 22.145. Award Amounts and Uses.
- 22.146. Allocations and Reallocations.
- 22.147. Disbursements.
- 22.148. Dissemination of Information and Rules.

(a) Authority. Authority for this subchapter is provided in the Texas Transportation Code regarding Collegiate License Plates. These rules establish procedures to administer the subchapter as prescribed in the Texas Transportation Code, Section 502.270, generally known as the License Plate Insignia Scholarship Program.

(b) Purpose. The purpose of the License Plate Insignia Scholarship Program is to provide financial assistance to needy students attending eligible public or independent colleges or universities in Texas.

22.142. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Board – the Texas Higher Education Coordinating Board.

(2) Cost of Attendance – A Board-approved estimate of the expenses incurred by a typical financial aid recipient in attending a particular college or university. It includes direct educational costs (tuition, fees, books and supplies) as well as indirect costs (room and board, transportation, and personal expenses).

(3) Department – The Department of Highways and Public Transportation.

(4) Expected Family Contribution – The amount of discretionary income that should be available to a student from his or her resources and that of his or her family, as determined following the federal methodology.

(5) Financial need – The cost of attendance at a particular public or private institution of higher education less the expected family contribution and any gift aid for which the student is entitled. The cost of education and family contribution figures are to be determined in accordance with Board guidelines.

22.143. Institutions.

(a) Eligibility.

(1) Any college or university defined as a public, private or independent institution of higher education by Texas Education Code, Section 61.003, is eligible to participate in the License Plate Insignia Scholarship Program.

(2) No institution may, on the grounds of race, color, national origin, gender, religion, age, or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.

(3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions.

(b) Approval. Each approved institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner.

(c) Responsibilities.

(1) Probation Notice. If the institution is placed on public probation by its accrediting agency, it must immediately advise grant recipients of this condition and

maintain evidence in each student's file to demonstrate that the student was so informed.

(2) Disbursements to Students.

(A) Documentation. The institution must maintain records to prove the receipt of program funds by the student or the crediting of such funds to the student's school account.

(B) Procedures in Case of Illegal Disbursements. If the Commissioner has reason for concern that an institution has disbursed funds for unauthorized purposes, the Board will notify the institution and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration). Thereafter, if the Board determines that funds have been improperly disbursed, the institution shall become primarily responsible for restoring the funds to the Board. No further disbursements of grants or scholarships shall be permitted to students at that institution until the funds have been repaid.

(3) Reporting Requirements/Deadlines. All institutions must meet Board reporting requirements in a timely fashion. Such reporting requirements shall include the Financial Aid Database Report as well as progress and year-end reports of program activities.

(4) In addition, the institution must meet the Department of Transportation's requirements for designing and issuing license plates bearing the institution's insignia.

22.144. Eligible Students.

In order to qualify for an award through this program a student must demonstrate financial need.

22.145. Award Amounts and Uses.

(a) Funding. No awards may be made by an institution in excess of the amount of money on balance at the State Comptroller's Office for that institution, generated through the sale of special license plates bearing the institution's insignia.

(1) The License Plate Insignia Scholarship Program is funded through funds paid to the department for the purchase of automobile license plates bearing the insignia of Texas colleges and universities. The amount of money available for scholarships to students at each institution will depend on the number of license plates purchased with that school's insignia.

(2) Funds for license plates bearing the insignia of public senior colleges and universities will be held on deposit by the State Comptroller's Office, for the institutions to draw down as needed. Funds for license plates bearing the insignia of other public, private and independent institutions will be deposited in the State Treasury to the credit of the Board, which in turn will allocate the funds to the relevant institutions.

(b) Award Amount. No award received through this program may exceed a student's financial need.

(c) Uses. No scholarship disbursed to a student may be used for any purpose other than for meeting the cost of attending an approved institution.

(d) Over Awards. If, at a time after an award has been offered by the institution and accepted by the student, the student receives assistance that was not taken into account in the student's estimate of financial need, so that the resulting sum of assistance exceeds the student's financial need, the institution is not required to adjust the award under this program unless the sum of the excess resources is greater than \$300.

22.146. Allocations and Reallocations.

Each institution will have at its disposal the portion of funds generated through the sale of its own license plates in accordance with Texas Transportation Code, Section 506.270(d).

22.147. Disbursements.

Awards are to be made to eligible students at each institution in accordance with these rules and regulations.

(1) For public senior colleges and universities. The department deposits funds from purchased license plates directly into the institution's account at the State Comptroller's Office. Therefore, public senior colleges and universities may draw from those funds as appropriate to make awards to eligible students.

(2) For other public institutions. Funds will be made available to the institution through the Board. On a regular basis (at least monthly), the Board will send the institution a state warrant for the amount of License Plate Insignia Scholarship funds generated through the sale of license plates and deposited by the department in the State Comptroller's Office for that institution.

(3) For private or independent institutions. At the beginning of each fiscal year and periodically as funds are deposited in the State Comptroller's Office by the department, the Board will notify the institution as to the amount of funds available for awarding as scholarships. On receipt of a student's application and certification by the financial aid officer of the amount of the scholarship for which the student is eligible, the Board shall forward funds to the institution for disbursement to the students.

22.148. Dissemination of Information and Rules.

The Board is responsible for publishing and disseminating general information and program rules for the program described in this subchapter.

6. Review and re-adopt Board rules in accordance with Texas Government Code, Section 2001.039, and simultaneously propose the repeal of Sections 22.161 through

22.169 of Board rules and propose new Sections 22.161 through 22.172, concerning the Provisions for the Fifth-Year Accounting Student Scholarship Program

Chapter 22

Subchapter I. PROVISIONS FOR THE FIFTH-YEAR ACCOUNTING STUDENT SCHOLARSHIP PROGRAM

- 22.161. Authority and Purpose.
- 22.162. Definitions.
- 22.163. Institutions.
- 22.164. Eligible Students.
- 22.165. Award Amounts and Uses.
- 22.166. Allocations and Reallocations.
- 22.167. Disbursements to Institutions.
- 22.168. Adjustments to Awards Made through Central Processing.
- 22.169. Retroactive Disbursements.
- 22.170. Advisory Committee.
- 22.171. Reporting Requirements.
- 22.172. Dissemination of Information and Rules.

- 22.161. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Chapter 61, Subchapter N, Scholarships for Fifth-Year Accounting Students. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, Sections 61.751 through 61.758.

(b) The purpose of the Fifth-Year Accounting Student Scholarship Program is to promote the professional and educational needs of the state; increase the number of highly trained and educated professional accountants available to serve the residents of this state; improve the state's business environment and encourage economic development and financial stability; and identify, recognize and support outstanding scholars who plan to pursue careers in accounting.

- 22.162. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Board – The Texas Higher Education Coordinating Board.

(2) Central processing – An approach to administering a scholarship program by having institutions submit application information to the Board, which then issues funds to students in keeping with a schedule specified by the institution in the application data.

(3) Commissioner – The Commissioner of Higher Education, the Chief Executive Officer of the Board.

(4) Cost of attendance – A Board-approved estimate of the expenses incurred by a typical financial aid student in attending a particular college or university. It includes direct educational costs (tuition, fees, books, and supplies) as well as indirect costs (room and board, transportation, and personal expenses).

(5) Encumbered funds – Program funds that have been offered to a specific student, which offer the student has accepted, and which may or may not have been disbursed to the student.

(6) Expected family contribution – The amount of discretionary income that should be available to a student from his or her resources and that of his or her family, as determined following the federal methodology.

(7) Financial need – The cost of attendance at a particular public or private institution of higher education less the expected family contribution. The cost of attendance and family contribution are to be determined in accordance with Board guidelines.

(8) Half-time student – For undergraduates, a person who is enrolled or is expected to be enrolled for the equivalent of six or more semester credit hours. For graduate students, a person who is enrolled or expected to be enrolled for the equivalent of 4.5 or more semester credit hours.

(9) Issue date – The date on which the Board's centralized processing system generates a voucher requesting a grant disbursement for specific students.

(10) Period of enrollment – The term or terms within the current state fiscal year (September 1-August 31) for which the student was enrolled in an approved institution and met all the eligibility requirements for an award through the program described in this chapter.

(11) Program Officer – The individual named by each participating institution's chief executive officer to serve as agent for the Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including maintenance of all records and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the administration, the director of student financial aid shall serve as Program Officer.

(12) Resident of Texas – A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B, of this title (relating to Determining Residence Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

22.163. Institutions.

(a) Eligibility.

(1) Any college or university defined as a public, private or independent institution of higher education by Texas Education Code, Section 61.003, is eligible to participate in the Fifth-Year Accounting Student Scholarship Program.

(2) No institution may, on the grounds of race, color, national origin, gender, religion, age or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.

(3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions.

(b) Approval.

(1) Agreement. Each approved institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner.

(2) Approval Deadline. An institution must be approved by April 1 in order for qualified students enrolled in that institution to be eligible to receive scholarships in the following fiscal year.

(c) Responsibilities.

(1) Probation Notice. If the institution is placed on public probation by its accrediting agency, it must immediately advise scholarship recipients of this condition and maintain evidence in each student's file to demonstrate that the student was so informed.

(2) Disbursements to Students.

(A) Documentation. The institution must maintain records to prove the receipt of program funds by the student or the crediting of such funds to the student's school account.

(B) Procedures in Case of Illegal Disbursements. If the Commissioner has reason for concern that an institution has disbursed funds for unauthorized purposes, the Board will notify the institution and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration). Thereafter, if the Board determines that funds been improperly disbursed, the institution shall become primarily responsible for restoring the funds to the Board. No further disbursements of scholarship funds shall be permitted to students at that institution until the funds have been repaid.

(d) Reporting.

(1) Requirements/Deadlines. All institutions must meet Board reporting requirements in a timely fashion. Such reporting requirements shall include reports specific to allocation and reallocation of scholarship funds (including the Financial Aid Database Report) as well as progress and year-end reports.

(2) Penalties for Late Reports.

(A) An institution that postmarks or electronically submits a progress report a week or more after its due date will be ineligible to receive additional funding through the reallocation occurring at that time.

(B) The Commissioner may penalize an institution by reducing its allocation of funds in the following year by up to 10 percent for each progress report that is postmarked or submitted electronically more than a week late.

(C) The Commissioner may assess more severe penalties against an institution if any report is received by the Board more than one month after its due date. The maximum penalty for a single year is 30 percent of the school's allocation. If penalties are invoked two consecutive years, the institution may be penalized an additional 20 percent.

(3) Appeals. If the Commissioner determines that a penalty is appropriate, the institution will be notified by certified mail, addressed to the Program Officer. Within 21 days from the time that the Program Officer receives the written notice, the institution must submit a written response appealing the Board's decision, or the penalty shall become final and no longer subject to an appeal. An appeal under this section will be conducted in accordance with the rules provided in Chapter 1 of this title (relating to Agency Administration).

(e) Program Reviews. If selected for such by the Board, participating institutions must submit to program reviews of activities related to the Fifth-Year Accounting Student Scholarship Program.

22.164. Eligible Students.

(a) To receive funds, a student must:

- (1) be enrolled on at least a half-time basis at an approved institution;
- (2) maintain satisfactory academic progress in his or her program of study as defined by the institution; and
- (3) have completed at least 120 credit hours of college work, including at least 15 hours of accounting;
- (4) sign a written statement confirming his/her intent to take the written examination conducted by the Texas State Board of Public Accountancy for the purpose of granting a certificate of "certified public accountant";

- (5) confirm he or she has not yet taken the CPA examination;
 - (6) maintain a cumulative grade point average, as determined by the institution, that is equal to or greater than the grade point average required by the institution for graduation; and
 - (7) be enrolled in the additional hours of study required by Texas Occupation Code, Section 901.256(2)(A), (concerning Work Experience Requirements).
- (b) In selecting recipients the Program Officer shall consider at a minimum the following factors relating to each applicant:
- (1) financial need, which acts as an upper limit to the amount the student may receive;
 - (2) scholastic ability and performance as measured by the student's cumulative college grade point average as determined by the institution in which the student is enrolled;
 - (3) ethnic or racial minority status; and
 - (4) Texas residency.
- 22.165. Award Amounts and Uses.
- (a) Funding. Funds awarded through this program may not exceed the amount appropriated by the Legislature for that program plus any gifts, grants and donations of real or personal property from any entity, subject to limitations or conditions set by law, for the purposes of this subchapter.
- (b) Award Amount and Disbursements.
- (1) The maximum annual award for a student through this program is \$3,000 less any amount received through this program in the past.
 - (2) No individual may receive an aggregate total of more than \$3,000 through the program.
 - (3) An individual student's scholarship is to be paid out in the form of at least one disbursement per semester.
- (c) Uses. No scholarship disbursed to a student may be used for any purpose other than for meeting the cost of attending an approved institution.
- (d) Over Awards. At the time an award is made to a student, it may not exceed the student's need. No future adjustment is required, however, if subsequent awards during the student's period of enrollment cause an over award of \$300 or less.

22.166. Allocations and Reallocations.

(a) Allocations. One third of the funds allocated to participating institutions shall be allocated by the Board in proportion to each institution's number of students graduating with degrees in accounting in the previous year. Two thirds of the funds will be allocated based on the number of students reported to have significant amounts of financial need via each institution's prior year Financial Aid Database Report.

(b) Reallocations. Unless otherwise indicated, institutions will have until a date specified by the Board via a policy memo addressed to the Program Officer at the institution to encumber all funds allocated to them. On that date, institutions lose claim to any unencumbered funds and the unencumbered funds are available to the Board for reallocation to other institutions. If necessary for ensuring the full use of funds, subsequent reallocations may be scheduled until all funds are awarded and disbursed.

22.167. Disbursements to Institutions.

(a) Public Universities and Technical Colleges. Funds allocated to each institution will be transferred to a cost center at the State Comptroller's Office, to be drawn down by the institution as needed to cover local awards.

(b) Private and Independent Institutions and Public Community Colleges. Funds allocated to each institution will be accessed through the Board. Program officers will submit applications for eligible students to the Board, which will issue state warrants for the students in accordance with disbursement schedules on the applications.

22.168. Adjustments to Awards Made through Central Processing

If a student officially withdraws from enrollment, or for some other reason, the amount of a student's disbursement exceeds the amount the student is eligible to receive except in accordance with Section 22.165(d) of this title (relating to Award Amounts and Uses), the institution shall follow its general institutional refund policy in determining the amount to be returned to the program.

(1) Funds returned to the Board in the form of institution-issued checks shall be accompanied with sufficient documentation to enable the Board to identify the appropriate program and student(s) for whom the funds were originally issued.

(2) If the disbursement to be returned is in the form of a state warrant issued to an individual student, the warrant should be marked "void" and returned to the Board.

(3) Funds shall be returned promptly, but in no case shall funds be returned more than 60 days from the issue date.

22.169. Retroactive Disbursements.

(a) A student may receive a disbursement after the end of his/her period of enrollment if the student:

(1) owes funds to the institution for the period of enrollment for which the award is being made; or

(2) received a student loan that is still outstanding for the period of enrollment for which the award is being made.

(b) Funds that are disbursed retroactively must either be used to pay the student's outstanding balance from his/her period of enrollment at the institution or to make a payment against an outstanding loan received during that period of enrollment. Under no circumstances are funds to be released to the student.

22.170. Advisory Committee.

(a) The Board shall appoint an advisory committee to advise the Board concerning assistance provided under this subchapter to fifth-year accounting students.

(1) The advisory committee shall consist of:

(A) a chair named by the Board;

(B) one representative named by the Texas State Board of Public Accountancy;

(C) one representative named by the Texas Society of Certified Public Accountants;

(D) a Texas representative of the American Accounting Association named by that organization;

(E) one representative named by the National Association of Black Accountants;

(F) one representative named by the American Association of Hispanic Certified Public Accountants; and

(G) two representatives named by the Board who are the chairs of accounting departments at Texas colleges and universities, at least one of whom must be a representative of a private college or university and at least one other of whom must be a representative from a college or university that primarily serves minority students.

(2) The costs of participation on an advisory committee of a member representing a particular organization or agency shall be borne by that member or the organization or agency the member represents.

(b) The duties of the advisory committee shall be to advise the Board on:

(1) how the scholarships provided for under this subchapter should be established and administered to best promote the public purpose of the scholarships;

(2) the amount of money needed to adequately fund the scholarship program;

(3) setting priorities among the factors identified by Section 22.164(b) of this title (relating to Eligible Students).

22.171. Reporting Requirements.

Before January 15 of each odd-numbered year, the Board shall report to the Legislature concerning the scholarship program. The report must include:

(1) the number and amount of scholarships awarded in the two calendar years preceding the year in which report is due; and

(2) the number of minority students, by racial or ethnic background, who have been awarded scholarships during that two-year period.

22.172. Dissemination of Information and Rules.

The Board is responsible for publishing and disseminating general information and program rules for the program described in this subchapter.

7. Review and re-adopt Board rules in accordance with Texas Government Code, Section 2001.039, and simultaneously propose the repeal of Sections 22.225 through 22.234 of Board rules and propose new Sections 22.225 through 22.236, concerning the Toward EXcellence, Access and Success (TEXAS) Grant Program

Chapter 22. Grant and Scholarship Programs

Subchapter L. Toward EXcellence, Access, & Success (TEXAS) Grant Program

Section

22.225.	Authority and Purpose.
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22.232.	Award Amounts and Adjustments.
22.233.	Retroactive Disbursements.
22.234.	Allocation and Reallocation of Funds.
22.235.	Funds Provided from Student Deposit Fees.
22.236.	Dissemination of Information and Rules.

22.225. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Subchapter M, Toward EXcellence, Access & Success (TEXAS) Grant Program. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, Sections 56.301 through 56.311.

(b) Purpose. The purpose of this program is to provide grants of money to enable eligible students to attend public and private institutions of higher education in this state.

22.226. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Board – The Texas Higher Education Coordinating Board.
- (2) Commissioner – The Commissioner of Higher Education, the Chief Executive Officer of the Board.
- (3) Cost of attendance – A Board-approved estimate of the expenses incurred by a typical financial aid student in attending a particular college. It includes direct educational costs (tuition, fees, books, and supplies) as well as indirect costs (room and board, transportation, and personal expenses.)
- (4) Encumbered funds – Program funds that have been offered to a specific student, which offer the student has accepted, and which may or may not have been disbursed to the student.
- (5) Enrolled on at least a three-quarter basis – Enrolled for the equivalent of nine semester credit hours in a regular semester.
- (6) Entering undergraduate – A student enrolled in the first 30 semester credit hours or their equivalent, excluding hours taken during dual enrollment in high school and courses for which the student received credit through examination.
- (7) Expected family contribution – The amount of discretionary income that should be available to a student from his or her resources and that of his or her family, as determined following the federal methodology.
- (8) Financial need – The cost of attendance at a particular public or private institution of higher education less the expected family contribution. The cost of attendance and family contribution are to be determined in accordance with Board guidelines.
- (9) Initial year award – The grant award made in the student's first year in the TEXAS Grant program, typically made up of a fall and spring disbursement.

(10) Period of enrollment – The term or terms within the current state fiscal year (September 1-August 31) for which the student was enrolled in an approved institution and met all the eligibility requirements for an award through this program.

(11) Program Officer – The individual named by each participating institution's chief executive officer to serve as agent for the Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including maintenance of all records and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the administration, the director of student financial aid shall serve as Program Officer.

(12) Recommended or advanced high school programs – the curriculum specified in the Texas Education Code, Section 28.025, and the rules promulgated there under by the State Board of Education.

(13) Resident of Texas -- A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B, of this title (relating to Determining Residence Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

22.227. Institutions.

(a) Eligibility.

(1) Public and private or independent institutions of higher education as defined in Section 61.003 of the Texas Education Code are eligible to participate in the TEXAS Grant program.

(2) No institution may, on the grounds of race, color, national origin, gender, religion, age, or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.

(3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions.

(b) Approval.

(1) Agreement. Each approved institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner.

(2) Approval Deadline. An institution must be approved by April 1 in order for qualified students enrolled in that institution to be eligible to receive grants in the following fiscal year.

(c) Responsibilities.

(1) Probation Notice. If the institution is placed on public probation by its accrediting agency, it must immediately advise grant recipients of this condition and maintain evidence in each student's file to demonstrate that the student was so informed.

(2) Disbursements to Students.

(A) Documentation. The institution must maintain records to prove the receipt of program funds by the student or the crediting of such funds to the student's school account.

(B) Procedures in Case of Illegal Disbursements. If the Commissioner has reason for concern that an institution has disbursed funds for unauthorized purposes, the Board will notify the Program Officer and financial aid officer and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration). Thereafter, if the Board determines that funds have been improperly disbursed, the institution shall become primarily responsible for restoring the funds to the Board. No further disbursements of grants or scholarships shall be permitted to students at that institution until the funds have been repaid.

(3) Reporting.

(A) Requirements/Deadlines. All institutions must meet Board reporting requirements in a timely fashion. Such reporting requirements shall include reports specific to allocation and reallocation of grant funds (including the Financial Aid Database Report) as well as progress and year-end reports of program activities.

(B) Penalties for Late Reports.

(i) An institution that postmarks or electronically submits a progress report a week or more after its due date will be ineligible to receive additional funding through the reallocation occurring at that time.

(ii) The Commissioner may penalize an institution by reducing its allocation of funds in the following year by up to 10% for each progress or year-end report that is postmarked or submitted electronically more than a week late.

(iii) The Commissioner may assess more severe penalties against an institution if any report is received by the Board more than one month after its due date. The maximum penalty for a single year is 30 % of the school's allocation. If penalties are invoked in two consecutive years the institution may be penalized an additional 20 %.

(C) Appeal of Penalty. If the Commissioner determines that a penalty is appropriate, the institution will be notified by certified mail, addressed to the Program Officer with a copy sent to the financial aid officer. Within 21 days from the time that the Program Officer receives the written notice, the institution must submit a written response appealing the Board's decision, or the penalty shall become final and no longer subject to an appeal. An appeal under this section will be conducted in accordance with the rules provided in Chapter 1 of this title (relating to Agency Administration).

(4) Program Reviews. If selected for such by the Board, participating institutions must submit to program reviews of activities related to the TEXAS Grant Program.

22.228. Eligible Students.

(a) To receive an initial award through the TEXAS Grant Program, a student must:

(1) be a resident of Texas, as evidenced by answers to the Board's core residency questions;

(2) show financial need;

(3) have applied for any available financial aid assistance;

(4) not have been granted a baccalaureate degree;

(5) be a graduate of an accredited high school in this state not earlier than the 1998-99 school year;

(6) have completed the Recommended or Advanced High School Program, or if a graduate of a private high school, its equivalent, unless the student:

(A) graduated from a public high school that has been certified by its district not to offer all the courses necessary to complete all parts of the Recommended or Advanced High School Program, and the student has completed all courses that the high school offered toward the completion of such a curriculum; or

(B) did not graduate under the Recommended or Advanced High School Program as anticipated when the award was made;

(C) has received an associate degree from an eligible institution no earlier than May 1, 2001;

(7) enroll in an undergraduate degree or certificate program at an approved institution on at least a three-quarter time basis:

(A) not later than the end of the 16th month after high school graduation, if an entering undergraduate student; or

(B) not later than the end of the 12th month after a student has received an associate degree.

(b) To receive a continuation award through the TEXAS Grant Program, a student must:

(1) have previously received an initial award through this program;

(2) show financial need;

(3) be enrolled at least three-quarter time;

(4) be enrolled in an undergraduate degree or certificate program at an approved institution;

(5) not have been granted a baccalaureate degree; and

(6) make satisfactory academic progress towards an undergraduate degree or certificate, which requires:

(A) as of the end of the person's first academic year he or she meets the satisfactory academic progress requirements as indicated by the financial aid office of his or her institution.

(i) If a student ends his/her first year in the program without meeting the academic progress requirements of his/her institution, he/she may not get back into the program until the institution has determined that the student has met its academic performance requirements.

(ii) A grant recipient who is below program grade point average requirements as of the end of a spring term may appeal his/her grade point average calculation if he/she has taken courses previously at one or more different institutions. In the case of such an appeal, the current institution (if presented with official transcripts from the previous institutions), must calculate an overall grade point average counting all classes and grade points previously earned. If the resulting grade point average exceeds the current institution's academic progress requirement, an otherwise eligible student may receive an award in the following fall term.

(B) As of the end of the second and subsequent years, the student must complete at least 75 percent of the hours attempted in his/her most recent academic year, and maintain an overall grade point average of at least 2.5 on a four point scale or its equivalent, for all coursework attempted at public or private or independent institutions of higher education.

(i) The completion rate calculations may be made in keeping with institutional policies.

(ii) Grade point average calculations may be made in keeping with institutional policies except that if a grant recipient's grade point average falls below program requirements and the student transfers to another institution, the receiving institution cannot make a continuation award to the transfer student until he/she provides official transcripts of previous coursework to the new institution's financial aid office and that office re-calculates an overall grade point average, including hours and grade points for courses taken at the old and new institutions that proves the student's overall grade point average now meets or exceeds program requirements.

(iii) A grant recipient who is below program grade point average requirements as of the end of a spring term may appeal his/her grade point average calculation if he/she has taken courses previously at one or more different institutions. In the case of such an appeal, the current institution (if presented with transcripts from the previous institutions), must calculate an overall grade point average counting all classes and grade points previously earned. If the resulting grade point average exceeds the program's academic progress requirement, an otherwise eligible student may receive an award in the following fall term.

(7) If a student's eligibility was based on the expectation that the student would complete the Recommended or Advanced High School Program, and the student failed to do so, then in order to resume eligibility such a student must:

(A) receive an associate's degree;

(B) meet all other qualifications for a TEXAS Grant; and

(C) if required to do so by the institution through which the TEXAS Grant was made, repay the amount of the TEXAS Grant that was previously received.

(c) Discontinuation of Eligibility or Non-Eligibility.

(1) Unless granted a hardship postponement in accordance with Section 22.229(c) of this title (relating to Hardship Provisions), a student's eligibility for a TEXAS Grant ends six years from the start of the semester or term in which the student received his or her first disbursement of an initial TEXAS Grant award, if the student's eligibility for a TEXAS Grant was based on the completion of the Recommended or Advanced High School Program or its equivalent in high school.

(2) Unless granted a hardship postponement in accordance with Section 22.229(c) of this title (relating to Hardship Provisions), a student's eligibility ends four years from the date of the semester or term in which the student received his or her first disbursement of an initial TEXAS Grant award if the student's eligibility was based on receiving an associate's degree.

(3) A student's eligibility ends one year from the date of the semester or term in which the student received his or her first disbursement of an initial TEXAS Grant award, if the student's eligibility was based on the expectation that the student would complete the Recommended or Advanced High School Program, but the student failed to do so. However, if such a student later receives an associate's degree and again qualifies for TEXAS Grants, he or she can receive an additional four years of eligibility.

(4) A student who is eligible for a TEXAS Grant based on completion of the Recommended or Advanced High School Program or its equivalent in high school may receive a TEXAS Grant for no more than 150 semester credit hours or the equivalent

(5) A student who is eligible for a TEXAS Grant based on receiving an associate's degree may receive a TEXAS Grant for no more than 90 semester credit hours.

(6) A person is not eligible to receive an initial or continuation TEXAS Grant if the person has been convicted of a felony or an offense under Chapter 481, Health and Safety Code (Texas Controlled Substances Act), or under the law of any other jurisdiction involving a controlled substance as defined by Chapter 481, Health and Safety Code, unless the person has met the other applicable eligibility requirements under this subchapter and has:

(A) received a certificate of discharge by the Texas Department of Criminal Justice or a correctional facility or completed a period of probation ordered by a court, and at least two years have elapsed from the date of the receipt or completion; or

(B) been pardoned, had the record of the offense expunged from the person's record, or otherwise been released from the resulting ineligibility to receive a TEXAS Grant.

(7) Other than as described in Section 22.229 of this title (relating to Hardship Provisions), if a person fails to meet any of the requirements for receiving a continuation award as outlined in subsection (b) of this section after completion of any year, the person may not receive a TEXAS Grant until he or she completes courses while not receiving a TEXAS Grant and meets all the requirements of subsection (b) of this section as of the end of that period of enrollment.

22.229. Hardship Provisions.

(a) In the event of a hardship or for other good cause, the Program Officer at an eligible institution may allow an otherwise eligible person to receive a TEXAS Grant while enrolled for an equivalent of less than three-quarter time or if the student's grade point average or completion rate falls below the satisfactory academic progress requirements of Section 22.228(b)(6) of this title (relating to Eligible Students). Such conditions are not limited to, but include:

(1) a showing of a severe illness or other debilitating condition that may affect the student's academic performance;

(2) an indication that the student is responsible for the care of a sick, injured, or needy person and that the student's provision of care may affect his or her academic performance; or

(3) the requirement of fewer than nine hours to complete one's degree plan.

(b) The director of financial aid may grant an extension of the six- or four-year limits found in Section 22.228(c) of this title (relating to Eligible Students) in the event of hardship. Documentation justifying the extension must be kept in the student's files, and the institution must identify students granted extensions and the length of their extensions to the Coordinating Board, so that it may appropriately monitor each student's period of eligibility.

(c) The financial aid director may allow a student to receive his/her first award after more than 16 months have passed since high school graduation if the student and/or the student's family has suffered a hardship that would now make the student rank as one of the institution's neediest. Documentation justifying the exception must be kept in the student's files.

22.230. Priorities in Funding.

If appropriations for the TEXAS Grant Program are insufficient to allow awards to all eligible students, continuation awards will be given priority.

22.231. Priority in Awards to Students.

In determining who should receive a TEXAS Grant, an institution shall give highest priority to students who demonstrate the greatest financial need at the time the award is made.

22.232. Award Amounts and Adjustments.

(a) Funding. Funds awarded through this program may not exceed the amount of appropriations, gifts, grants and other funds that are available for this use.

(b) Award Amounts.

(1) The amount of a TEXAS Grant may not be reduced by any gift aid for which the person receiving the grant is eligible, unless the total amount of a person's grant plus any gift aid received exceeds the student's financial need.

(2) The Board shall determine and announce the maximum amount of a TEXAS Grant award prior to the start of each fiscal year. The calculation of the maximum amount will be based on the mandates contained in Texas Education Code, Section 56.307. However, no student's award shall be greater than the amount of the student's financial need.

(3) For students enrolled in eligible private or independent institutions, the amount of the TEXAS Grant, when combined with the amount received through the Tuition Equalization Grant Program (Texas Education Code, Section 61.221) may not exceed the student's need or the total amount of tuition and required fees charged to the student for the academic periods for which one or more of the grants were awarded;

(4) An eligible public institution may not charge a person receiving a TEXAS Grant through that institution, an amount of tuition and required fees in excess of the amount of the TEXAS Grant received by the person. Nor may it deny admission to or enrollment in the institution based on a person's eligibility to receive or actual receipt of a TEXAS Grant. If an institution's tuition and fee charges exceed the TEXAS Grant amount, it may address the shortfall in one of two ways:

(A) It may use other available sources of financial aid, other than a loan or work-study funds to cover any difference in the amount of a TEXAS Grant and the student's actual amount of tuition and required fees at the institution; or

(B) it may waive the excess charges for the student. However, if a waiver is used, the institution may not report the recipient's tuition and fees in a way that would increase the general revenue appropriations to the institution.

(5) The eligible institution may require a student to forgo or repay the amount of an initial TEXAS Grant awarded to the student as described in Section 22.228(a)(6)(B) of this title (relating to Eligible Students) if the student is determined to have failed to complete the Recommended or Advanced High School Program or its equivalent as evidenced by the final high school transcript.

(c) Uses. A person receiving a TEXAS Grant may only use the money to pay any usual and customary cost of attendance at an institution of higher education incurred by the student.

(d) Over Awards. If, at a time after an award has been offered by the institution and accepted by the student, the student receives assistance that was not taken into account in the student's estimate of financial need, so that the resulting sum of assistance exceeds the student's financial need, the institution is not required to adjust the award under this program unless the sum of the excess resources is greater than \$300.

22.233. Retroactive Disbursements.

(a) A student may receive a disbursement after the end of his/her period of enrollment if the student:

(1) owes funds to the institution for the period of enrollment for which the award is being made; or

(2) received a student loan that is still outstanding for the period of enrollment.

(b) Funds that are disbursed retroactively must either be used to pay the student's outstanding balance from his/her period of enrollment at the institution or to make a payment against an outstanding loan received during that period of enrollment. Under no circumstances are funds to be released to the student.

22.234. Allocation and Reallocation of Funds.

(a) Allocations.

(1) Initial Year Funds. Available program funds for initial year awards will be allocated to each participating institution in proportion to each institution's share of the state's undergraduate financial aid population with significant amounts of financial need.

(2) Renewal Year Funds. Available program funds for continuation or renewal awards will be allocated in proportion to the number of prior year recipients reported for each institution, adjusted for the institution's student retention rate.

(b) Reallocations. Institutions will have until a date specified by the Board via a policy memo addressed to the Program Officer at the institution to encumber the program funds

that have been allocated to them. On that date, institutions lose claim to any unencumbered funds, and the unencumbered funds are available to the Board for reallocation to other institutions. If necessary for ensuring the full use of funds, subsequent reallocations may be scheduled until all funds are awarded and disbursed.

(c) Disbursement of Funds to Institutions. As requested by institutions throughout the academic year, the Board shall forward to each participating institution a portion of its initial and renewal year allocations of funds for immediate release to students or immediate application to student accounts at the institution.

(d) Release of Funds to Students. The institution may release all or part of the proceeds of a TEXAS Grant to an eligible person only if the tuition and required fees incurred by the person at the institution have been paid.

22.235. Funds Provided from Student Deposit Fees.

Student deposit funds that are not claimed by students may only be used to make TEXAS Grants. If the year-end balance of funds at an institution exceeds 150 percent of the amount its students have forfeited during that year, the excess funds are to be forwarded to the Coordinating Board for disbursement through the TEXAS Grant Program. If an institution established an endowment fund from funds forfeited prior to the end of state Fiscal Year 2001, no additional forfeited funds may be added to the endowment corpus. All forfeited funds and their earnings (including the earnings of the endowment fund) must be used in calculating the year-end balance subject to the 150 percent limit, and are to be used for making need-based grants.

22.236. Dissemination of Information and Rules.

The Board and its advisory committee is responsible for publishing and disseminating general information and program rules for the program described in this subchapter. The Board shall distribute to each eligible institution and to each school district a copy of the rules adopted under this subchapter.

8. Review and re-adopt Board rules in accordance with Texas Government Code, Section 2001.039, and simultaneously propose the repeal of Sections 22.253 through 22.260 of Board rules and propose new Sections 22.253 through 22.262, concerning the Toward EXcellence, Access and Success (TEXAS) Grant II Program

Chapter 22. Grant and Scholarship Programs

Subchapter M. Toward EXcellence, Access,
& Success (TEXAS) Grant II Program

Section

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- 22.261. Allocation and Reallocation of Funds.
- 22.262. Dissemination of Information and Rules.
- 22.253. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Subchapter M, Toward EXcellence, Access & Success (TEXAS) Grant II Program. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, Sections 56.401 through 56.4075.

(b) Purpose. The purpose of this program is to provide grants of money to enable eligible students to attend public two-year institutions of higher education in this state.

- 22.254. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Board – The Texas Higher Education Coordinating Board.
- (2) Commissioner – The Commissioner of Higher Education, the Chief Executive Officer of the Board.
- (3) Cost of attendance – A Board-approved estimate of the expenses incurred by a typical financial aid student in attending a particular college. It includes direct educational costs (tuition, fees, books, and supplies) as well as indirect costs (room and board, transportation, and personal expenses.)
- (4) Encumbered funds – Program funds that have been offered to a specific student, which offer the student has accepted, and which may or may not have been disbursed to the student.
- (5) Enrolled on at least a half-time basis – Enrolled for the equivalent of six semester credit hours in a regular semester.
- (6) Entering student – A student enrolled in the first 30 semester credit hours or their equivalent, excluding hours taken during dual enrollment in high school and courses for which the student received credit through examination.
- (7) Expected family contribution – The amount of discretionary income that should be available to a student from his or her resources and that of his or her family, as determined following the federal methodology.
- (8) Financial need – The cost of attendance at a particular public or private institution of higher education less the expected family contribution. The cost of attendance and family contribution are to be determined in accordance with Board guidelines.

(9) Initial year award – The grant award made in the student's first year in the TEXAS Grant II program, typically made up of a fall and spring disbursement.

(10) Period of enrollment – The term or terms within the current state fiscal year (September 1-August 31) for which the student was enrolled in an approved institution and met all the eligibility requirements for an award through this program.

(11) Program Officer – The individual named by each participating institution's chief executive officer to serve as agent for the Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including maintenance of all records and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the administration, the director of student financial aid shall serve as Program Officer.

(12) Resident of Texas – A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B, of this title (relating to Determining Residence Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

22.255. Institutions.

(a) Eligibility.

(1) Public junior colleges, technical colleges and state colleges as defined in Section 61.003 of the Texas Education Code are eligible to participate in the TEXAS Grant II program.

(2) No institution may, on the grounds of race, color, national origin, gender, religion, age, or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.

(3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions.

(b) Approval.

(1) Agreement. Each approved institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner.

(2) Approval Deadline. An institution must be approved by April 1 in order for qualified students enrolled in that institution to be eligible to receive grants in the following fiscal year.

(c) Responsibilities.

(1) Probation Notice. If the institution is placed on public probation by its accrediting agency, it must immediately advise grant recipients of this condition and maintain evidence in each student's file to demonstrate that the student was so informed.

(2) Disbursements to Students.

(A) Documentation. The institution must maintain records to prove the receipt of program funds by the student or the crediting of such funds to the student's school account.

(B) Procedures in Case of Illegal Disbursements. If the Commissioner has reason for concern that an institution has disbursed funds for unauthorized purposes, the Board will notify the Program Officer and financial aid officer and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration). Thereafter, if the Board determines that funds have been improperly disbursed, the institution shall become primarily responsible for restoring the funds to the Board. No further disbursements of grants or scholarships shall be permitted to students at that institution until the funds have been repaid.

(3) Reporting.

(A) Requirements/Deadlines. All institutions must meet Board reporting requirements in a timely fashion. Such reporting requirements shall include reports specific to allocation and reallocation of grant funds (including the Financial Aid Database Report) as well as progress and year-end reports of program activities.

(B) Penalties for Late Reports.

(i) An institution that postmarks or electronically submits a progress report a week or more after its due date will be ineligible to receive additional funding through the reallocation occurring at that time.

(ii) The Commissioner may penalize an institution by reducing its allocation of funds in the following year by up to 10% for each progress or year-end report that is postmarked or submitted electronically more than a week late.

(iii) The Commissioner may assess more severe penalties against an institution if any report is received by the Board more than one month after its due date. The maximum penalty for a single year is 30 % of the school's allocation. If penalties are invoked in two consecutive years the institution may be penalized an additional 20 %.

(C) Appeal of Penalty. If the Commissioner determines that a penalty is appropriate, the institution will be notified by certified mail, addressed to the Program Officer with a copy sent to the financial aid officer. Within 21 days from the time that the Program Officer receives the written notice, the institution must submit a written response appealing the Board's decision, or the penalty shall become final and no longer subject to an appeal. An appeal under this section will be conducted in accordance with the rules provided in Chapter 1 of this title (relating to Agency Administration).

(4) Program Reviews. If selected for such by the Board, participating institutions must submit to program reviews of activities related to the TEXAS Grant II Program.

22.256. Eligible Students.

- (a) To receive an initial award through the TEXAS Grant II Program, a student must:
- (1) be a resident of Texas;
 - (2) show financial need;
 - (3) have applied for any available financial aid assistance;
 - (4) be enrolled on at least a half-time basis in an associate's degree or certificate program at an eligible institution;
 - (5) not be eligible for a TEXAS Grant; and
 - (6) not have been granted an associate's or baccalaureate degree.
- (b) To receive a continuation award through the TEXAS Grant II Program, a student must:
- (1) have previously received an initial award through this program;
 - (2) show financial need;
 - (3) be enrolled on at least a half-time basis;
 - (4) be enrolled in an associate's degree or certificate program at an eligible institution;
 - (5) not have been granted a baccalaureate degree;
 - (6) not be eligible for a TEXAS Grant; and
 - (7) make satisfactory academic progress towards an undergraduate degree or certificate, which requires completion of at least 75 percent of the hours attempted in the student's most recent academic year, and maintenance of an overall grade point average of at least 2.5 on a four point scale or its equivalent.
- (A) The completion rate calculations may be made in keeping with institutional policies.
- (B) Grade point average calculations may be made in keeping with institutional policies except that if a grant recipient's grade point average falls below program requirements and the student transfers to another institution, the receiving institution cannot make a continuation award to the transfer student until he/she provides official transcripts of previous coursework to the new

institution's financial aid office and that office re-calculates an overall grade point average, including hours and grade points for courses taken at the old and new institutions that proves the student's overall grade point average now meets or exceeds program requirements.

(c) Discontinuation of Eligibility or Non-Eligibility.

(1) A student may not receive a TEXAS Grant II for more than 75 semester credit hours or its equivalent.

(2) A student's eligibility for a TEXAS Grant II award ends four years from the start of the semester or term in which the student received his or her initial award of a TEXAS Grant II.

(3) A person is not eligible to receive an initial or continuation TEXAS Grant II award if the person has been convicted of a felony or an offense under Chapter 481, Health and Safety Code (Texas Controlled Substances Act), or under the law of any other jurisdiction involving a controlled substance as defined by Chapter 481, Health and Safety Code, unless the person has met the other applicable eligibility requirements under this subchapter and has:

(A) received a certificate of discharge by the Texas Department of Criminal Justice or a correctional facility or completed a period of probation ordered by a court, and at least two years have elapsed from the date of the receipt or completion; or

(B) been pardoned, had the record of the offense expunged from the person's record, or otherwise been released from the resulting ineligibility to receive a TEXAS grant.

(3) If a person fails to meet any of the requirements for receiving a continuation award as outlined in Subsection (b) of this section after completion of any year, the person may not receive a TEXAS Grant II award until he or she completes courses while not receiving a TEXAS Grant II and meets all the requirements of Subsection (b) of this section as of the end of that period of enrollment.

22.257. Priorities in Funding.

If appropriations for the TEXAS Grant II Program are insufficient to allow awards to all eligible students, continuation awards will be given priority.

22.258. Priority in Awards to Students.

In determining who should receive a TEXAS Grant II award, an institution shall give highest priority to students who demonstrate the greatest financial need at the time the award is made.

22.259. Award Amounts and Adjustments.

(a) Funding. Funds awarded through this program may not exceed the amount of appropriations, grants and other funds that are available for this use.

(b) Award Amounts.

(1) The amount of a TEXAS Grant II award may not be reduced by any gift aid for which the person receiving the grant is eligible, unless the total amount of a person's grant plus any gift aid received exceeds the student's financial need.

(2) The Board shall determine and announce the maximum amount of a TEXAS Grant II award prior to the start of each fiscal year. The calculation of the maximum amount will be based on the mandates contained in Texas Education Code, Section 56.407. However, no student's award shall be greater than the amount of the student's financial need.

(3) An approved institution may not charge a person receiving a TEXAS Grant through that institution, an amount of tuition and required fees in excess of the amount of the TEXAS Grant II award received by the person. Nor may it deny admission to or enrollment in the institution based on a person's eligibility to receive or actual receipt of a TEXAS Grant II award. If an institution's tuition and fee charges exceed the TEXAS Grant II award amount, it may address the shortfall in one of two ways:

(A) It may use other available sources of financial aid, other than a loan or work-study funds to cover any difference in the amount of a TEXAS Grant II award and the student's actual amount of tuition and required fees at the institution; or

(B) it may waive the excess charges for the student. However, if a waiver is used, the institution may not report the recipient's tuition and fees in a way that would increase the general revenue appropriations to the institution.

(c) Uses. A person receiving a TEXAS Grant II award may only use the money to pay any usual and customary cost of attendance at an institution of higher education incurred by the student.

(d) Over Awards. If, at a time after an award has been offered by the institution and accepted by the student, the student receives assistance that was not taken into account in the student's estimate of financial need, so that the resulting sum of assistance exceeds the student's financial need, the institution is not required to adjust the award under this program unless the sum of the excess resources is greater than \$300.

22.260. Retroactive Disbursements.

(a) A student may receive a disbursement after the end of his/her period of enrollment if the student:

(1) owes funds to the institution for the period of enrollment for which the award is being made; or

(2) received a student loan that is still outstanding for the period of enrollment.

(b) Funds that are disbursed retroactively must either be used to pay the student's outstanding balance from his/her period of enrollment at the institution or to make a payment against an outstanding loan received during that period of enrollment. Under no circumstances are funds to be released to the student.

22.261. Allocation and Reallocation of Funds.

(a) Allocations.

(1) Initial Year Funds. Available program funds for initial year awards will be allocated to each participating institution in proportion to each institution's share of the state's undergraduate financial aid population with significant amounts of financial need.

(2) Renewal Year Funds. Available program funds for continuation or renewal awards will be allocated in proportion to the number of prior year recipients reported for each institution, adjusted for the institution's student retention rate.

(b) Reallocations. Institutions will have until a date specified by the Board via a policy memo addressed to the Program Officer at the institution to encumber the program funds that have been allocated to them. On that date, institutions lose claim to any unencumbered funds, and the unencumbered funds are available to the Board for reallocation to other institutions. If necessary for ensuring the full use of funds, subsequent reallocations may be scheduled until all funds are awarded and disbursed.

(c) Disbursement of Funds to Institutions. As requested by institutions throughout the fall and spring terms, the Board shall forward to each participating institution a portion of its initial and renewal year allocations of funds for immediate release to students or immediate application to student accounts at the institution.

(d) Release of Funds to Students. The institution may release all or part of the proceeds of a TEXAS Grant II award to an eligible person only if the tuition and required fees incurred by the person at the institution have been paid.

22.262. Dissemination of Information and Rules.

The Board and its advisory committee is responsible for publishing and disseminating general information and program rules for the program described in this subchapter. The Board shall distribute to each eligible institution and to each school district a copy of the rules adopted under this subchapter.